

# A MAJOR CONTRIBUTOR TO THE FUTURE OF PUBLIC TRANSPORT...

WE ARE AN INTERNATIONAL GROUP HOWEVER OUR FOCUS IS AT A LOCAL LEVEL. WE OPERATE LOCAL BUSINESSES WHICH ARE RUN BY LOCAL TEAMS TO MEET THE NEEDS OF LOCAL COMMUNITIES. THIS IS BACKED UP WITH THE SUPPORT OF A NATIONAL ORGANISATION.

Our services deliver significant benefits and underpin the social and economic well-being of the communities within which we operate. Yet we are not complacent. Our 43,000 employees constantly strive to improve the safety, performance, accessibility and affordability of our services.

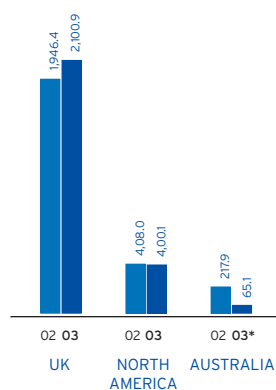
Investment plays a major part in the drive for improvement. From on-board CCTV cameras for our trains and low-floor access for our buses to innovative value for money fares on our coaches and training programmes for our people, we invest in order to offer services that passengers want to use – today, tomorrow and into the future.

The aim is to create a public transport capability that is appreciated by passengers while also delivering growth to shareholders.

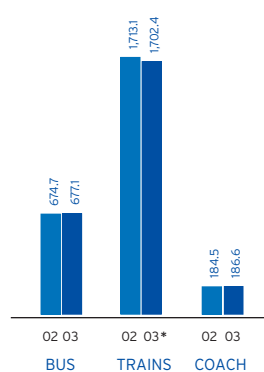
During 2003 we ceased operating the Wales and Borders franchise. At the end of 2003 the Group was awarded a two year extension for its Central Trains franchise.

In January 2004 the Greater Anglia franchise was awarded by the Strategic Rail Authority and further two year franchise extensions were signed for the Great Northern and Wessex Trains rail franchises. At the beginning of February the operations of Qjump, our on-line train ticketing business, were merged with Trainline.com creating a stronger entity in this growing market sector. On 26 February 2004 the Group acquired the operations of Connex bus in London.

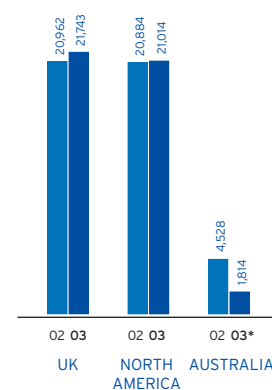
**Turnover by geographic market (£m)**  
(Chart 1)



**Turnover by transport mode (£m)**  
(Chart 2)



**Average number of employees by geography**  
(Chart 3)



\* The Group exited its Australian train and tram operations in December 2002

	<i>BUSES</i>	<i>TRAINS</i>	<i>COACHES</i>	<i>NORTH AMERICA</i>	<i>AUSTRALIA</i>
SERVICES	High-frequency urban bus services operating primarily in Birmingham and across the West Midlands – representing the largest single area bus network in the UK outside London. Also operates buses in Dundee, Scotland, and the Midland Metro light-rail service in Birmingham.	A range of intercity, commuter and rural passenger train services.	Extensive integrated network of scheduled and contracted coach services in three business segments – shuttle, airport and European coaching.	The third largest operator of student transportation bus services in the United States and an operator of student bus services in Canada as well as a provider of public transit and paratransit services.	Bus services in Brisbane, Melbourne, Perth and Sydney.
PRINCIPAL BRANDS	Travel West Midlands, Travel Coventry, Travel Midland Metro, Travel Dundee	c2c, Caledonian Sleeper, Central Trains, Gatwick Express, Midland Mainline, ScotRail, Silverlink, Stansted Express, Wagn, Wessex Trains	National Express, National Express Shuttle, National Express Airport, Airlinks, Eurolines	Student transportation: Durham School Services, Stock Transportation Public transit and demand-response: ATC Airports: Stewart International	Blue Ribbon, Glenorie Bus Company, National Bus Company, Southern Coast Transit, Westbus

